

SUMMARY ANALYSIS OF AMENDED BILL

Author: Alquist Analyst: Colin Stevens Bill Number: AB 1747

Related Bills: See Prior Analysis Telephone: 845-3036 Amended Date: 3/31/98

Attorney: Doug Bramhall

Sponsor:

SUBJECT: Exclusion/Education Assistance Plan Payments/Allow Exclusion for Payments

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

X AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

X DEPARTMENT POSITION CHANGED TO NEUTRAL.

X REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED MARCH 17, 1998, STILL APPLIES.

OTHER - See comments below.

SUMMARY OF BILL

Under the Personal Income Tax Law (PITL), this bill would allow an employee to exclude from gross income the amount, not to exceed \$5,250 per year, that an employer pays or incurs for the employee taking graduate level courses beginning on or after June 30, 1998.

SUMMARY OF AMENDMENT

The March 31, 1998, amendment specifies that this bill would apply to graduate level courses beginning on or after June 30, 1998, rather than January 1, 1998. Except for the change in operative date which resolves the department's technical concern, and the revised revenue estimate provided below, the department's analysis of the bill as amended March 17, 1998, still applies.

At its March 26, 1998, meeting, the Board voted 2-0 (with Robin J. Dezemmer, on behalf of Member Craig L. Brown, abstaining) to take a neutral position on this bill.

DEPARTMENTS THAT MAY BE AFFECTED:

___ STATE MANDATE

___ GOVERNOR'S APPOINTMENT

Board Position:

___ S ___ O
___ SA ___ OUA
X N ___ NP
___ NA ___ NAR
___ PENDING

Agency Secretary Position:

___ S ___ O
___ SA ___ OUA
___ N ___ NP
___ NA ___ NAR
DEFER TO _____

GOVERNOR'S OFFICE USE

Position Approved ___
Position Disapproved ___
Position Noted ___

Department/Legislative Director Date
Johnnie Lou Rosas 4/8/98

Agency Secretary Date

By: Date:

FISCAL IMPACT

Tax Revenue Estimate

The revenue losses from this bill are estimated to be:

Fiscal Year Revenue Loss \$ Millions Assumes Enactment After June 30, 1998		
1998-9	1999-2000	2000-1
(\$7)	(\$14)	(\$14)

This estimate does not account for changes in employment, personal income, or gross state product which could result from this bill.

Tax Revenue Discussion

The only change from the previous analysis is that the revenue effect for FY 1998-9 has been reduced to reflect a change in the operative date of the legislation from January 1, 1998, to July 1, 1998.